

VIGIL MECHANISM / WHISTLE BLOWER POLICY OF **PITTI LAMINATIONS LIMITED**

PREFACE

Pitti Laminations Limited (PLL) believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour.

PLL is committed to developing a culture where it is safe for all employees to raise concerns about any poor or unacceptable practice and any event of misconduct or violation of law in force.

Section 177 of the Companies Act, 2013 requires every listed company to establish a vigil mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed. The Company has adopted a Code of Conduct for Directors and Senior Management Executives (“the Code”), which lays down the principles and standards that should govern the actions of the Company and its employees. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. Such a vigil mechanism shall provide for adequate safeguards against victimization of persons who use such mechanism and also make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

Clause 49 of the Listing Agreement between listed companies and the Stock Exchanges, *inter alia*, provides for all listed companies to establish a mechanism called ‘Whistle Blower Policy’ for employees to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the company’s code of conduct.

Accordingly, PLL proposes to establish a Whistle Blower Policy / Vigil Mechanism and to formulate a policy for the same.

OBJECTIVE

This policy seeks the support of PLL employees, channel partners and vendors to report Significant deviations from key management policies and report any non-compliance and wrong Practices, e.g, unethical behaviour, fraud, violation of law, inappropriate behaviour / conduct etc.

POLICY

The Vigil Mechanism / Whistle Blower policy intends to cover serious concerns that could have grave impact on the operations and performance of the business of

PLL. A Vigil (Whistle Blower) mechanism provides a channel to the employees and Directors to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Code of conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

The policy neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations against people in authority and / or colleagues in general.

SCOPE OF THE POLICY

This Policy covers malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, demanding and / or accepting gratification, obtaining a valuable thing without or inadequate consideration from a person with whom he has or may have official dealings, obtaining for self or any other person pecuniary benefits by corrupt or illegal means or abusing his position and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers concerning its employees.

The employees of the Company are eligible to make Protected Disclosures under the Policy. An employee can avail of the channel provided by this Policy for raising an issue covered under this Policy.

The Policy generally covers malpractices and events which have taken place / suspected to take place involving:

- Abuse of authority.
- Breach of contract.
- Negligence causing substantial and specific danger to public health and safety.
- Manipulation of Company's data / records.
- Financial irregularities, including fraud or suspected fraud or Deficiencies in Internal Control and check or deliberate error in preparations of Financial Statements or Misrepresentation of financial reports.
- Any unlawful act whether Criminal / Civil.
- Pilferage of confidential / propriety information.
- Deliberate violation of law / regulation.
- Wastage/misappropriation of Company's funds / assets.
- Breach of Company Policy or improper practice of the Company's policies or procedures, failure to implement or comply with any approved Company Policy.
- Wilful negligence of assigned duties that could result in damage / loss to the Company.

Policy should not be used in place of the Company's grievance procedures or be a route for raising malicious or unfounded allegations against colleagues.

DEFINITIONS

"Alleged wrongful conduct" shall mean violation of law, Infringement of Company's rules, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority".

"Audit Committee" means a Committee constituted by the Board of Directors of the Company in accordance with guidelines of Listing Agreement and Companies Act, 2013.

"Board" means the Board of Directors of the Company.

"Company" means the Pitti Laminations Limited.

"Code" means Code of Conduct for Directors and Senior Management Executives of Pitti Laminations Limited.

"Disciplinary Action" means any action that can be taken on the completion of / during the investigation proceedings including but not limiting to a warning, imposition of fine, suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter.

"Employee" means all the present employees and whole time Directors of the Company.

"Good Faith" An employee shall be deemed to be communicating in "good faith" if there is a reasonable basis for communication of unethical and improper practices or any other alleged wrongful conduct. Good Faith shall be deemed lacking when the employee does not have personal knowledge on a factual basis for the communication or where the employee knew or reasonably should have known that the communication about the unethical and improper practices or alleged wrongful conduct is malicious, false or frivolous.

"Investigators" means those persons authorised, appointed, consulted or approached by the Vigilance Officer or the Chairman & Managing Director and includes the auditors of the Company and the police.

"Protected Disclosure" means a concern raised by an employee or group of employees of the Company, through a written communication and made in good faith which discloses or demonstrates information about an unethical or improper activity under the title "SCOPE OF THE POLICY" with respect to the Company. It should be factual and not speculative or in the nature of an interpretation / conclusion and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.

“Concerned person” means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.

“Vigilance Officer” means an officer designated to receive protected disclosures from whistle blowers, maintaining records thereof, placing the same before the Audit Committee for its disposal and informing the Whistle Blower the result thereof.

“Whistle Blower” is an employee or group of employees who make a Protected Disclosure under this Policy and also referred in this policy as complainant.

ELIGIBILITY

All Employees of the Company are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company.

GUIDING PRINCIPLES

To ensure that this Policy is adhered to, and to assure that the concern will be acted upon seriously, the Company will:

- ❖ Ensure that the Whistleblower and / or the person processing the Protected Disclosure is not victimized for doing so.
- ❖ Treat victimization as a serious matter, including initiating disciplinary action, if required, on such person/(s).
- ❖ Ensure complete confidentiality.
- ❖ Not attempt to conceal evidence of the Protected Disclosure.
- ❖ Take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made/to be made.
- ❖ Provide an opportunity of being heard to the persons involved especially to the Concerned person.
- ❖ Disclosure in writing to be sent / handed over in a sealed cover to the Chairman of the Audit Committee.

ANONYMOUS ALLEGATION

Whistleblowers must put their names to allegations as follow-up questions and investigation may not be possible unless the source of the information is identified. Disclosures expressed anonymously will ordinarily NOT be investigated.

RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES

All Protected Disclosures should be reported in writing by the complainant as soon as possible after the Whistle Blower becomes aware of the same so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English.

The Protected Disclosure should be submitted in a closed and secured envelope and should be super scribed as “**Protected disclosure under the Whistle Blower policy**”. Alternatively, the same can also be sent through email with the subject “**Protected disclosure under the Whistle Blower policy**”. If the complaint is not super scribed and closed as mentioned above, it will not be possible for the Audit Committee to protect the complainant and the protected disclosure will be dealt with as if a normal disclosure. In order to protect identity of the complainant, the Vigilance Officer will not issue any acknowledgement to the complainants and they are further advised not to write their name / address on the envelope and not to enter into any further correspondence with the Vigilance Officer. The Vigilance Officer shall assure that in case any further clarification is required he will get in touch with the complainant.

The Protected Disclosure should be forwarded under a covering letter signed by the complainant. The Vigilance Officer / Chairman of the Audit Committee as the case may be, shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure.

All Protected Disclosures should be addressed to the Vigilance Officer of the Company or to the Chairman of the Audit Committee in exceptional cases. The contact details of the Vigilance Officer are as under:-

Shri GVSN Kumar

Ph.: 040 - 23312774

Mobile: 8008677551

Email: vijay.kumar@pittilam.com

Protected Disclosure against the Vigilance Officer should be addressed to the Chairman & Managing Director of the Company and the Protected Disclosure against the Chairman & Managing Director of the Company should be addressed to the Chairman of the Audit Committee. The contact details of the Chairman & Managing Director and the Chairman of the Audit Committee are as under:

Name and Address of Chairman & Managing Director of the Company

Shri Sharad B Pitti

Pitti Laminations Limited

Regd. Office: 6-3-648/401, IV Floor, Padmaja Landmark, Somajiguda,

Hyderabad – 500 082

Ph: 040 - 23312774

Name and Address of the Chairman of the Audit Committee

Shri TSSN Murthy

Pitti Laminations Limited

Regd. Office: 6-3-648/401, IV Floor, Padmaja Landmark, Somajiguda,

Name and Address of Vigilance Officer of the Company

Shri GVSN Kumar

Pitti Laminations Limited

Regd. Office: 6-3-648/401, IV Floor, Padmaja Landmark, Somajiguda,

Hyderabad – 500 082

Ph: 040 - 23312774

On receipt of the protected disclosure the Vigilance Officer / Chairman of the Audit Committee, as the case may be, shall make a record of the Protected Disclosure and also ascertain from the complainant whether he was the person who made the protected disclosure or not. He shall also carry out initial investigation either himself or by involving any other Officer of the Company or an outside agency before referring the matter to the Audit Committee of the Company for further appropriate investigation and needful action. The record will include:

- a) Brief facts;
- b) Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
- c) Whether the same Protected Disclosure was raised previously on the same subject;
- d) Details of actions taken by Vigilance Officer / Chairman of Audit Committee for processing the complaint;
- e) Findings of the Audit Committee;
- f) The recommendations of the Audit Committee / other action(s).

The Audit Committee, if deems fit, may call for further information or particulars from the complainant.

INVESTIGATION

All protected disclosures under this policy will be recorded and thoroughly investigated. The Audit Committee may investigate and may at its discretion consider involving any other Officer of the Company and/ or an outside agency for the purpose of investigation.

The decision to conduct an investigation is by itself not an accusation and is to be treated as a neutral fact finding process.

Concerned person(s) will normally be informed in writing of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.

Concerned person(s) shall have a duty to co-operate with the Audit Committee or any of the Officers appointed by it in this regard.

Concerned person(s) have a right to consult with a person or persons of their choice, other than the Vigilance Officer / Investigators and/or members of the Audit Committee and/or the Whistle Blower.

Concerned person(s) have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and witness shall not be influenced, coached, threatened or intimidated by the Concerned person(s).

Unless there are compelling reasons not to do so, Concerned person(s) will be given the opportunity to respond to material findings contained in the investigation report. No allegation of wrong doing against a Concerned person(s) shall be considered as maintainable unless there is good evidence in support of the allegation.

Concerned person(s) have a right to be informed of the outcome of the investigations. If allegations are not sustained, the Concerned person should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Concerned person and the Company.

The investigation shall be completed normally within 90 days of the receipt of the protected disclosure and is extendable by such period as the Audit Committee deems fit.

DECISION AND REPORTING

If an investigation leads the Vigilance Officer / Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Vigilance / Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as he may deem fit. It is clarified that any disciplinary or corrective action initiated against the Concerned person(s) as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.

The Vigilance Officer shall submit a report to the Chairman of the Audit Committee on a regular basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any.

In case the Concerned person is the Chairman & Managing Director of the Company, the Chairman of the Audit Committee after examining the Protected Disclosure shall forward the protected disclosure to other members of the Audit Committee if deemed fit. The Audit Committee shall appropriately and expeditiously investigate the Protected Disclosure.

If the report of investigation is not to the satisfaction of the complainant, the complainant has the right to report the event to the appropriate legal or investigating agency.

A complainant who makes false allegations of unethical & improper practices or about alleged wrongful conduct of the Concerned person(s) to the Vigilance and Ethics Officer or the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

SECRECY / CONFIDENTIALITY

The Complainant, Vigilance Officer, Members of Audit Committee, the Concerned person and everybody involved in the process shall:

- Maintain confidentiality of all matters under this Policy.
- Discuss only to the extent or with those persons as required under this policy for completing the process of investigations.
- Not keep the papers unattended anywhere at any time.
- Keep the electronic mails / files under password.

All reports and records associated with Protected Disclosures are considered confidential information and access will be restricted to the Whistleblower and Vigilance Officer. Protected Disclosures and any resulting investigations, reports or resulting actions will generally not be disclosed to the public except as required by any legal requirements or regulations or by any corporate policy in place at that time.

PROTECTION TO WHISTLE BLOWER

If an employee raises a concern under this Policy, he / she will not be at risk of suffering any form of reprisal or retaliation. Retaliation includes discrimination, reprisal, harassment or vengeance in any manner. He/she will not be at the risk of losing her/ his job or suffer loss in any other manner like transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistleblower's right to continue to perform his/her duties/functions including making further Protected Disclosure, as a result of reporting under this Policy.

ACCOUNTABILITIES – WHISTLE BLOWERS

- ❖ Bring to early attention of the Company any improper practice they become aware of. Although they are not required to provide proof, they must have sufficient cause for concern. Delay in reporting may lead to loss of evidence and also financial loss for the Company.
- ❖ Avoid anonymity when raising a concern.
- ❖ Follow the procedures prescribed in this policy for making a Disclosure.
- ❖ Co-operate with investigating authorities, maintaining full confidentiality.
- ❖ The intent of the policy is to bring genuine and serious issues to the fore and it is not intended for petty disclosures.
- ❖ A whistleblower has the right to protection from retaliation.

- ❖ Maintain confidentiality of the subject matter of the Disclosure and the identity of the persons involved in the alleged malpractice/violation. It may forewarn the Concerned person(s) in case any important evidence is likely to be destroyed.

In exceptional cases, where the whistleblower is not satisfied with the outcome of the investigation carried out by the Vigilance Officer, he / she can make a direct appeal to the Chairman & Managing Director of the Company.

ACCOUNTABILITIES – VIGILANCE OFFICER AND INVESTIGATORS

- Conduct the enquiry in a fair, unbiased manner.
- Ensure complete fact-finding.
- Maintain strict confidentiality.
- Decide on the outcome of the investigation.
- Recommend an appropriate course of action - suggested disciplinary action, including dismissal, and preventive measures.
- Minute Investigators' deliberations and document the final report.

RIGHTS OF A SUBJECT

- ❖ Concerned person(s) have a right to be heard and the Vigilance Officer must give adequate time and opportunity for the Concerned person(s) to communicate his/her say on the matter.
- ❖ Concerned person(s) have the right to be informed of the outcome of the investigation and shall be so informed in writing by the Company after the completion of the inquiry / investigation process.
- ❖ Concerned person(s) have a right to consult with a person or persons of their choice, other than the Investigators and/or the Whistle Blower.
- ❖ Concerned person(s) shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings. However, if the allegations against the Concerned person(s) are not sustainable, then the Company may see reason to reimburse such costs.

ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE

The Whistle Blower shall have right to access Chairman of the Audit Committee directly in exceptional cases and the Chairman of the Audit Committee is authorized to prescribe suitable directions in this regard.

COMMUNICATION

A whistle Blower policy cannot be effective unless it is properly communicated to employees. Employees shall be informed through by publishing in notice board and the website of the company.

RETENTION OF DOCUMENTS

All Protected disclosures in writing or documented along with the results of Investigation relating thereto, shall be retained by the Company for a period of 7 (seven) years or such other period as specified by any other law in force, whichever is more.

ADMINISTRATION AND REVIEW OF THE POLICY

The Chairman & Managing Director shall be responsible for the administration, interpretation, application and review of this policy. The Chairman & Managing Director also shall be empowered to bring about necessary changes to this Policy, if required at any stage with the concurrence of the Audit Committee.

REPORTS

A quarterly status report on the total number of complaints received during the period, with summary of the findings of the Vigilance Officer and the corrective actions taken will be sent to the Chairman & Managing Director of the Company.

AMENDMENT

The Board of Directors of the Company shall review the policy periodically and amend or modify this Policy in whole or in part, as required at any time and notify such amendments or modifications to all the employees.
